COMMITTEE ON PAPERS LAID ON THE TABLE
(2017-2018)

SIXTEENTH LOK SABHA

FOURTEENTH REPORT

(Presented on 28.12.2017)

LOK SABHA SECRETARIAT
NEW DELHI
December, 2017/Pausha, 1939(Saka)

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COMPOSITION OF COMMITTEE ON PAPERS LAID ON THE TABLE (2017-2018)

Shri Chandrakant Khaire - *Chairperson*

M E M B E R S

2. Shri Dushyant Chautala
3. Shrimati Veena Devi
4. Shri P.C. Gaddigoudar
5. Shri Laxman Giluwa
6. Shri Choudhury Mohan Jatua
7. Shrimati Mausam Noor
8. Shri Bheemrao B. Patil
9. Shri Sanjaykaka Ramchandra Patil
10. Shri Bishnupada Ray
11. Shri Midhun Reddy
12. Shri Uday Pratap Singh
13. Shri Virendra Singh
14. Shri P.R. Sundaram
15. Shri Manohar Untwal

SECRETARIAT

1. Dr. Preeti Srivastava - Joint Secretary
2. Smt. Rita Jailkhani - Director
3. Smt. Maya Lingi - Additional Director
4. Shri Rajni Bhagat - Sr. Executive Assistant

INTRODUCTION

I, Chairperson of the Committee on Papers Laid on the Table of the House (2017-18), having been authorized by the Committee to present this Report on their behalf, present this Fourteenth Report in respect of delay in laying of the Annual Reports together with Audited Accounts of the Biecco Lawrie Ltd., Kolkata.

2. In terms of the recommendation of the Committee on Papers Laid on the Table contained in its First Report, Second Report (5th Lok Sabha) and Second Report (6th Lok Sabha) presented to the House on 08 March 1976, 12 May 1976 and 22 December 1977 respectively, the Annual Report and Audited Accounts of the Organisation/Company are required to laid on the Table of the House within nine months of the closure of Accounting Year.

3. The Committee considered the matter of delays in laying of the Annual Reports and Audited Accounts of the Biecco Lawrie Ltd., Kolkata and took oral evidence of the representatives of the Ministry of Petroleum and Natural Gas at their sitting held on 24 May, 2016.

4. The Committee considered and adopted this Report at their sitting held on 13 October, 2017.

5. The Committee wish to express their thanks to the officers of the Ministry of Petroleum and Natural Gas for furnishing the written replies, other material/information and for placing their views in the matter before the Committee.

6. The Observations / Recommendations of the Committee have been printed in bold letters at the end of the Report.

New Delhi
30 November, 2017
09 Agrahayana, 1939 (Saka)

Chandrakant B. Khaire
Chairperson
Committee on Papers Laid on the Table

Report

Delay in laying of the Annual Reports and Audited Accounts of the Biecco Lawrie, Ltd Kolkata

Biecco Lawrie Limited (BLL),under the administrative control of the Ministry of Petroleum and Natural Gas, was established in 1919 and became a Government Company in 1972. This is a medium sized Engineering unit. The Major operations of the Company are Switchgear and spare parts, Electrical Repairs, Projects and lube oil Building and filing. BLL is a loss making PSU. 32.23% of the company shares are held by the President of India while oil industry Development Board owns 67.33% of shares. As the accumulated losses of the company have become more than the equity and the net worth has become negative. The company is registered in BIFR under sick industrial Companies Act.

2. Section 619 A of the Companies Act, 1956 (Section 394 of Companies Act, 2013), provides that where the Central Government is a member of a Government Company, the Central Government shall cause an Annual Report on the working and affairs of the Government Companies to be:

(a) Prepared within 3 months of its Annual General Meeting (AGM) before which the comments given by Comptroller and Auditor General of India and Audit Report is placed under proviso to sub section (6) of Section 143; and

(b) As soon as may be after such preparation, laid before the both Houses of Parliament together with a copy of Audit Report and Comments upon or supplement to the audit made by the Comptroller and Auditor General of India.

3. In terms of recommendation of the Committee on Papers Laid on the Table contained in Para 4.16 of Second Reports of 5th Lok Sabha and presented to the House on 12 May1976, the Annual Report and Audited Accounts along-with Review Statement of Company are required to be laid within 09 months of the close of the respective Accounting Year. Where it is not possible for the Government to lay the Report of any Company with in that period they should lay on the Table a Statement explaining the reasons for not laying the Report within 30 days from the expiry of the period of nine months and if the House is not in Session at that time, the Statement should be laid on the Table within seven days of re-assembly of the House.

4. The scrutiny by the Parliamentary Committee on Papers Laid on the Table reveals that the Annual Reports and Audited Accounts of the BLL for the years 2013-14 to 2015-2016 were laid on the Table of the House with delays ranging from 03 to 07 months. The dates of laying and extent of delay, in laying of the Annual Reports/Audited Accounts of the

Company have been given at Annexure-I. The statements indicating reasons for delay as referred in Para 3 above, were not laid on the Table of the House.

5. The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the Company for the years 2013-2014 and 2014-2015 as furnished by the Ministry is at Annexure-II

6. For delays in laying of the Annual Reports and Audited Accounts of the Company for the years 2013-2014 and 2014-2015, the Ministry submitted that the reports were delayed "as the documents were not received from BLL". They further stated that Compilation of accounts and getting the documents translated in Hindi were another reasons for delays.

7. On being questioned by the Committee as to whether there had been delay in appointment of auditors for the purpose of auditing of Annual Accounts of the Company for the years 2013-2014 and 2014-2015, the Ministry in its written note stated as under:-

> "M/s BLL has reported that the statutory auditors are appointed by CAG and hence no delay has occurred on the part of BLL."
> It was however not made clear as to when did the company approach C & AG for appointment of auditors.

8. The Committee desired to know as to how the issue of auditing of Accounts and finally timely receipt of the Final Audit Report from the Audit Authorities were dealt with by the Ministry/Company, the Ministry, in its written note stated as under:-

> "Audited Account of the company is placed before shareholder of the Company in Annual General Meeting of the company and the same is adopted by the shareholders."

9. Regarding the time taken in translation of documents in Hindi Version, the Ministry in their written Note stated as under:-

> "M/s BLL has reported that the Annual Accounts (English Version) has been completed and made ready for laying down within 9 months of the close of the accounting year but Hindi Version of the same was not prepared in time due to lack of required manpower."

10. It is however observed by the Committee from the written submission of the Ministry that translation work in both these years were completed in a month after finalization of the Annual Reports.

11. On a specific query regarding procedural difficulties, if any faced in convening requisite meetings for getting approvals and documents of the Company, the Ministry, in their written Note stated as under:-

> "M/s BLL has reported that there was no procedural difficulties associated with convening the meeting of the Competent Authority for getting approval of the documents of Company."

12. Regarding the status of computerization of Accounts to facilitate speedy and timely compilation of Accounts of the Company, the Ministry in its written note submitted as under:-

> "M/s BLL has reported that it has been declared a sick industrial undertaking by BIFR and is passing through a phase of acute fund shortage. Updation of computerization process could not be done due to lack of funds."

13. As regard to the internal auditing mechanism to ensure timely compilation of Accounts of the Company and also to minimize audit queries at the time of auditing, the Ministry in its written note, stated as under:-

> "M/s BLL has reported that the internal audit is done by an outsider firm of chartered accountants as there is no sufficient internal manpower."

14. In response to a query of the Committee about time schedule giving target dates for completion of work at each stage involved in finalization of Annual Accounts, the Ministry in their written note stated:-

> "M/s BLL has reported that so far the Company has no targeted normative time stage-wise. The same has been difficult due to shortage of man power. "

15. When the Committee desired to know about the mechanism in place in the Ministry to monitor the progress of work and remedial measures taken to ensure timely laying of the documents, the Ministry in its written note stated as under :-

> "The LPG Section of the Ministry headed by a Joint Secretary has been allocated the work pertaining to Biecco Lawrie Limited (BLL), which monitors the progress of all works including parliamentary issues of BLL. All efforts will be made by the Ministry to ensure such delays do not occur in future."

16. It was also submitted by the Ministry that BLL has been issued strict instructions to cut down the time taken in compilation of accounts, Hindi translation stage etc. and ensure submission of the report to the Ministry in time to enable the Ministry to lay the same on the Table of the House as per the prescribed guidelines.

17. With a view to ascertaining the facts and to know the practical difficulties being encountered by the company/Ministry, which caused delays in laying of the Annual Reports and Audited Accounts of Company for the years 2013-2014 and 2014-2015, the Committee took evidence of the representatives of the Ministry of Petroleum and Natural Gas and Company on the issue on 24 May, 2016.

18. Elaborating further the reasons for delay in laying of the Annual Reports and Audited Accounts of the Company, the Secretary to the Ministry during the evidence stated as under:-

> " We have now received the report of 2014-2015 and we will present it on the Table fo the House in the coming Monsoon Session. There were some difficulties regarding the report of 2015-16. They did not have account staff and we have talked about it, we will provide them help from other companies. It is to be prepared till 30th September. We will prepare account and present it in the Parliament in the Winter Session as far as possible....Since the company is sick, so, we have to give even salary support in between. The morale of the employees is also down so we are thinking about putting in efforts to better the future of the country. As far as account is concerned, we will ensure to prepare it in time"

However, the Committee find that despite the above assurance of the Secretary to the Ministry of Petroleum and Natural Gas, even Annual Reports and Audited Accounts for the year 2015-2016 was laid on the Table of the House with delays of more than 3 months.

Observations/Recommendations

19. The Committee have time and again emphasized that the Annual Report and Audited Accounts of the Corporations/Companies constituted under Companies Act, 1956 are required to laid simultaneously to enable the Members of Parliament to get a complete picture of the working and activities of the Corporations/Companies. If for any reasons the Annual Report and Audited Accounts of an Corporations/Companies cannot be laid within nine months after the closure of the Accounting Year, the concerned Ministry should lay a Statement within 30 days after the expiry of nine months and if the House is not in Session at that time, the Statement should be laid within seven days after reassembly of the Session explaining the reasons as to why the Annual Report and Audited Accounts could not be laid within stipulated time. The Committee is however disappointed to note that the Ministry of Petroleum and Natural Gas did not adhere to the stipulated time frame in laying of these documents of Biecco Lawrie, Kolkata for the years 2013-14 to 2015-16. These papers were laid on the Table of the House on 03.08.15, 25.07.16 and 10.04.17 respectively with a delays ranging from 3 to 7 months. Further, Statements indicating reasons for delays for these years as referred to in para 3 of the Report were also not laid on the Table of the House.

20. While examining the reasons for delay, the Committee note that compilation of Annual Accounts and getting the documents translated in Hindi Version were some of the reasons stated for delay. It is however observed that the translation work in both these years were completed in a month after finalisation of the Annual Report.

21. The Committee was also apprised that it is a sick Company under the Board of Industrial and Financial Reconstruction(BIFR) and is passing through a phase of acute shortage of funds. Computerization for speedy and timely compilation of Annual Accounts have not been introduced as yet. The work related to Internal audit is being done by an outsider firms of Chartered Accountants as there is shortage of Staff. Funds are being provided by the Ministry to the Company from time to time as salary support to officials of the Company. The Committee feel that though the Company is facing a lot of problems, yet, time limit of 09 months is sufficient for laying of the documents on the Table of the House. The reasons advanced by the Ministry that the Reports were delayed as the same were not received from company are not found acceptable by the Committee. It is the responsibility of the Ministry to ensure timely laying of these papers on the Table of the house and apparently effective monitoring on this accounts was lacking on the part of the Ministry. It is also noted that the documents of the company for the year 2013-14 were received by the Ministry on 13.04.2015. Though the Budget session in 2015 was upto 13 May 2015. However, the Reports was laid on the Table of the House in the Monsoon session on 03.08.2015. Thus further delay after receipt of the Report is attributed to the Ministry not to the company. Besides, despite the assurance given by the Secretary of the administrative Ministry for timely laying of the Annual Report and Audited Accounts of the company for the year 2015-2016, the same were laid on the Table of the House on 10.4.2017 with delays of more than 03 months. The Committee feel that this work was not taken up with due seriousness by the Ministry. The Committee urge upon the Ministry to keep a constant vigil on the progress of the work in finalization of

the documents of the Company and to ensure that the same are laid on the Table of the House within stipulated time in future. The Committee would like to be informed about the concrete measures taken in this regard.

New Delhi
13 October, 2017
21 Asvina, 1939 (Saka)

Chandrakant B. Khaire
Chairperson
Committee on Papers Laid on the Table

Annexure-I

vide para 03 of the Report

Statement showing the dates of laying of the Annual Reports and Audited Accounts of the Biecco Lawrie Limited, Kolkata

Year	Date by which Annual Report and Audited Account were required to be laid	Actual date of laying for documents	Delay
2013-2014	31.12.2014	03.08.2015	07 months
2014-2015	31.12.2015	25.07.2016	07 months
2015-2016	31.12.2016	10.04.2017	03 months

Annexure-II
vide para 05 of the Report

The chronological sequence in respect of finalization of Annual Reports and Audited Accounts of the Biecco Lawrie Limited for the year 2013-14 and 2014-15.

Sl. No.		**2013-14**	**2014-15**
1	(a) The date on which the C&AG appointed the auditors for auditing the Accounts and date of their appointment. (a)(i) Time taken in Appointment after closure of F/Y	08.08.2013 -	01.08.2014 -
2	(b) The date of compilation of Annual Accounts of the Company (b)(i) Time taken after after closure of F/Y	15.09.2014 5 M 15 days	28.09.2015 5 M 28 days
3	(c) The date on which the annual accounts of the Company were submitted to Auditors for final auditing (c)(i) Time taken after Compilation of Accounts	17.09.2014 02 days	30.09.2015 2 days
4	(d) The date and duration for auditing the annual accounts of the company by auditors;	3 weeks	3 weeks
5	(e) The date and duration for queries raised by the auditors auditing the annual accounts.	Queries raised and cleared on continuous basis	Queries raised and cleared on continuous basis
6	(f) The date on which the replies to the audit queries was finished to the Auditors;	-do-	-do-
7	(g) The date on which draft Audit Report was issued by Audit Authorities; (g)(i) Time taken after receipt of Annual Accounts	17.10.2014 1 M 1 day	30.10.2015 1 M 1 day
8	(h) The date on which the final Audit Report received by company (h) (i)Time taken after receipt of draft Audit Report	18.10.2014 1 day	31.10.2015 1 day
9	(i) The date of finalization of Annual Report (i)(i) Time taken after receipt of final Audit Report	24.11.2014 1 M 7 days	27.11.2015 27 days
10	(j)The date on which documents were got approved from the Competent Authority (j)(i) Time taken after finalization of Annual Report	30.12.2014 1 M 7 days	28.12.2015 1 M 2 days
11	(k) The date on which documents were taken up for translation & printing and the time taken for completing the task; (i) Translated work completed/Time taken after finalization (ii) Printed work completed/Time taken after translation	 26.12.2014 1M 3 days 29.02.2015	 30.12.2015 1 M 4 days 02.05.2016

		2 M 4 days	04 M 3 days
12	(l) The date on which documents were sent to the Ministry for being laid in the House; (l)(i)Time taken after printing	13.04.2015 1 M 16 days	18.05.2016 16 days
13	(m) The date of laying of the documents on the Table on the House. (m)(i)Time taken by the Ministry after receipt of the Annual Report and Audited Account	03.08.2015 3 M 22 days	25.07.2016 2 M 10 days

EXTRACTS OF THE MINUTES OF THE SITTING OF THE COMMITTEE ON PAPERS LAID ON THE TABLE HELD ON 24 MAY, 2016

The Committee sat on Tuesday, 24 May, 2016 from 15:00 hrs to 16:15 hrs. in Committee Room '62', Parliament House, New Delhi.

PRESENT

Shri Chandrakant Khaire - **Chairperson**

MEMBERS

2. Shri Choudhury Mohan Jatua
3. Shrimati Mausam Noor
4. Shri Sanjaykaka Ramchandra Patil
5. Shri Bishnupada Ray
6. Shri P.R. Sundaram

SECRETARIAT

1. Shri U.B.S. Negi - Joint Secretary
2. Smt. Maya Lingi - Additional Director

REPRESENTATIVES OF THE MINISTRY OF PETROLEUM AND NATURAL GAS

1. Shri K. D. Tripathi Secretary
2. Shri Ashutosh Jindal Joint Secretary

REPRESENTATIVES OF THE BIECCO LAWRIE LIMITED, KOLKATA

1. Shri H. K. Dev Chowdhary MD,

At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.

2. The Committee then called the representatives of the Ministry of Petroleum and Natural Gas and the Biecco Lawrie Ltd., Kolkata.

3. The Chairperson welcomed the representatives of the Ministry and the Company to the sitting of the Committee and explained the purpose of convening the meeting. The Chairperson also explained to the witnesses the provisions of Direction 58 of Directions issued by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

4. On being asked by the Committee the reasons for delay in laying of the Annual Reports and Audited Accounts of the Biecco Lawrie Limited for the year 2013-14, the Secretary during evidence apprised the Committee that it is a very small company having 250 people in total consisting of 60 officers and 190 employees. The major work of the Company is to manufacture big circuits i.e. switchgears. Besides, it has one Electrical Repairing Workshop. They also do electrical substation and transmission line work in project sites. It was further apprised during the evidence that it has been declared a sick Industrial Undertaking by Board of Industrial and Financial Reconstruction(BIFR) and is passing through a phase of acute fund shortage. They further informed the Committee that United Bank of India has been made an operative agency by BIFR which is making a revival package to revive the Company. As regards timely laying of the documents of the Company, the Secretary apprised the Committee that the documents of the Company for the year 2014-2015 have been received by them on 18 May, 2016 and the Ministry will lay the same on the Table of the Parliament in the monsoon Session 2016. They further stated that strict instructions have been issued to BLL for timely submission in future.

5. Thereafter, the Hon'ble Chairperson thanked the representatives of the Ministry and the Company for the useful discussion and responding to the queries raised by the Members - in connection with examination of the

subject and hoped that utmost care would be taken to ensure that there would not be any delay in laying of the reports on the Table of the House.

The witnesses then withdrew.

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The Committee then adjourned.

CONFIDENTIAL

MINUTES OF THE 2nd SITTING OF THE COMMITTEE ON PAPERS LAID ON THE TABLE (2017-2018)

The Committee sat on Friday, 13 October, 2017 from 12:00 hrs to 13:00 hrs. in Committee Room No. 03, Parliament House Annexe Extention, New Delhi.

PRESENT

Shri Chandrakant Khaire - **Chairperson**

MEMBERS

2. Shri P.C. Gaddigoudar
3. Shri Laxman Giluwa
4. Shri Choudhary Mohan Jatua
5. Shrimati Mausam Noor
6. Shri Bheemrao B. Patil
7. Shri Bishnu Pada Ray
8. Shri Manohar Untwal

SECRETARIAT

1. Dr. Preeti Srivastava - Joint Secretary
2. Smt. Rita Jailkhani - Director
3. Smt. Maya Lingi - Additional Director

At the outset, Chairperson welcomed the Members to the sitting of the Committee.

2. Thereafter, the Committee took up for consideration the draft Fourteen Report regarding delay in laying of the Annual Reports and Audited Accounts of the Biecco lawrie, Ltd., Kolkata.

3. After deliberations, the Committee adopted the Report without modifications.

4. The Committee authorized the Hon'ble Chairperson to present the same to the Parliament.

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The Committee then adjourned.